Department of Finance Canada

2015–16

Report on Plans and Priorities

The Honourable Joe Oliver, P.C., M.P.
Minister of Finance

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Minister's Message

I am pleased to present the *2015–16 Report on Plans and Priorities* for the Department of Finance Canada.

The report presents an overview of the Department's fiscal and economic priorities and important ongoing work for the coming year to ensure a sustainable economic recovery for Canada, and to further improve Canadians' standard of living.

Five years after the global recession, and despite ongoing global uncertainty, Canada's economic performance continues to be among the strongest of the advanced economies. Indeed, the Canadian economy has performed well since 2009, outpacing most of its Group of Seven (G7) peers. And both the International Monetary Fund and the Organisation for Economic Co-operation and Development expect Canada to be among the strongest growing economies in the G7 over this year and the next.

Our record of achievement is impressive by any standard. We have recovered all of the jobs lost during the 2008–09 recession. More Canadians are working today than at any other time in our history. Transfers to persons are increasing, while direct federal program spending has declined for the fourth year in a row—a rare achievement in Canadian history.

The global economic context remains fragile however. The volatility of commodity prices reminds us that we are not immune to factors beyond our borders. To preserve and strengthen Canada's record of achievement, the Department of Finance Canada will focus on four key priorities during 2015–16.

The first priority, sound fiscal management, will ensure effective management of the fiscal framework and safeguard the return to balanced budgets in 2015, which will help to ensure that Canada continues to maintain the lowest net debt-to-GDP ratio among G7 countries.

The second priority, sustainable economic growth, focuses on the Department's leadership in putting in place policies that encourage productivity-enhancing investments, facilitate workforce participation, and contribute to a sound financial system. Also supporting this priority is the Department's role in developing measures to enhance the competitiveness, efficiency, fairness, integrity and simplicity of Canada's tax system.

The third priority, a sound social policy framework, involves managing current and emerging challenges related to social policy and major transfer payment programs to ensure that those programs are sustainable and effective for all Canadians.

The fourth priority, effective international engagement, focuses on working toward active engagement with key economic partners on bilateral, regional and multilateral issues to leverage Canada's many strengths and to promote Canadian interests. This effort includes promoting trade and competition, fostering effective and innovative aid policies aimed at reducing global poverty, and working toward a more stable and secure international economic and financial system.

The Department of Finance Canada has a long-standing reputation for the highest standards of excellence, and was named for the second year in a row as one of Canada's top 100 employers for 2015 by *The Globe and Mail*. Proud of this accomplishment, the Department will continue its efforts to attract and retain highly qualified and high-performing employees to uphold its reputation as an employer of choice, and continue to support the Government of Canada as it works toward long-term economic prosperity and strong public finances for all Canadians.

Section I: Organizational Expenditure Overview

Organizational Profile

Appropriate Minister: Joe Oliver

Institutional Head: Paul Rochon

Ministerial Portfolio: Department of Finance

Enabling Instruments: The Minister of Finance has direct responsibility for a number of acts and is assigned specific fiscal and tax policy responsibilities relating to other acts that are under the responsibility of other ministers, including the following:

- *Financial Administration Act*;
- *Income Tax Act*;
- *Payment Clearing and Settlement Act*;
- *Federal-Provincial Fiscal Arrangements Act*;
- *Customs Act*;
- *Customs Tariff*;
- *Excise Act, 2001*;
- *Excise Tax Act*;
- *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*; and
- *Special Import Measures Act*.

Key legislation and acts are available on the Department of Justice Canada's website.[i]

Year of Incorporation / Commencement: 1867

Organizational Context

Raison d'être

The Department of Finance Canada contributes to a strong economy and sound public finances for Canadians. It does so by monitoring developments in Canada and around the world to provide first-rate analysis and advice to the Government of Canada and by developing and implementing fiscal and economic policies that support the economic and social goals of Canada and its people. The Department also plays a central role in ensuring that government spending is focused on results and delivers value for taxpayer dollars. The Department interacts extensively with other federal organizations and acts as an effective conduit for the views of participants in the economy from all parts of Canada.

Responsibilities

Created in 1867, the Department of Finance Canada was one of the original departments of the Government of Canada and had as its primary functions bookkeeping, administering the collection and disbursement of public monies, and servicing the national debt. Today, the Department helps the Government of Canada develop and implement strong and sustainable economic, fiscal, tax, social, security, international and financial sector policies and programs. It plays an important central agency role, working with other departments to ensure that the government's agenda is carried out and that ministers are supported with high-quality analysis and advice.

The Department's responsibilities include the following:

- Preparing the federal Budget and the fall Update of Economic and Fiscal Projections;
- Preparing the Annual Financial Report of the Government of Canada and, in cooperation with the Treasury Board of Canada Secretariat and the Receiver General for Canada, the Public Accounts of Canada;
- Developing tax and tariff policy and legislation;
- Managing federal borrowing on financial markets;
- Designing and administering major transfers of federal funds to the provinces and territories;
- Developing financial sector policy and legislation; and
- Representing Canada in various international financial institutions and organizations.

The Minister of Finance is accountable for ensuring that his responsibilities are fulfilled both within his portfolio and with respect to the authorities assigned through legislation.

Strategic Outcome and Program Alignment Architecture

1. Strategic Outcome: A strong economy and sound public finances for Canadians

- **1.1 Program:** Economic and Fiscal Policy Framework
  - **1.1.1 Sub-Program:** Taxation
  - **1.1.2 Sub-Program:** Economic and Fiscal Policy, Planning and Forecasting
  - **1.1.3 Sub-Program:** Economic Development Policy
  - **1.1.4 Sub-Program:** Federal-Provincial Relations and Social Policy
  - **1.1.5 Sub-Program:** Financial Sector Policy
  - **1.1.6 Sub-Program:** International Trade and Finance
- **1.2 Program:** Transfer and Taxation Payment Programs
  - **1.2.1 Sub-Program:** Fiscal Arrangements with Provinces and Territories
  - **1.2.2 Sub-Program:** Tax Collection and Administration Agreements
  - **1.2.3 Sub-Program:** Commitments to International Financial Organizations
  - **1.2.4 Sub-Program:** Receipts from and Payments to Individuals and Organizations
- **1.3 Program:** Treasury and Financial Affairs
  - **1.3.1 Sub-Program:** Federal Debt Management
  - **1.3.2 Sub-Program:** Major Federal-Backed Entities' Borrowing
  - **1.3.3 Sub-Program:** Prudential Liquidity and Reserves Management
  - **1.3.4 Sub-Program:** Domestic Currency System

Internal Services

Organizational Priorities

Organizational Priorities

Priority	Type[1]	Programs
Sound fiscal management	Ongoing	• 1.1 Economic and Fiscal Policy Framework • 1.3 Treasury and Financial Affairs
Description		
Why is this a priority? • To keep taxes low, while raising revenue to support investments in Canada's social and economic priorities in the most fair and efficient way possible; • To give the government flexibility to deal with unforeseen economic and fiscal developments;		

1. Type is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the RPP or DPR.

- To ensure fairness toward future generations by avoiding future tax increases or reductions in services; and
- To support financial stability, sustainable growth, competitiveness and economic prosperity.

What are the plans for meeting this priority?

- Manage the return to balanced budgets in 2015 by supporting the implementation of measures announced by the government and providing advice on the fiscal outlook;
- Support prudent and effective economic and fiscal management of the government's corporate assets; and
- Effectively manage the federal government's currency, debt and international reserves.

Priority	Type[1]	Program
Sustainable economic growth	Ongoing	• 1.1 Economic and Fiscal Policy Framework

Description

Why is this a priority?

- To help create the conditions necessary for sustainable long-term economic growth, thereby increasing Canadians' standard of living and well-being; and
- To support financial stability and maintain the safety and soundness of the financial system.

What are the plans for meeting this priority?

- Continue to play a leadership role by putting in place policies that encourage productivity-enhancing investments, facilitate workforce participation, and contribute to a sound financial system;
- Support the Government of Canada's economic agenda by providing evidenced-based analysis, research and advice on potential initiatives in various economic sectors;
- Continue to develop evidence-based analysis and evaluate options, to support the government's efforts to improve the competitiveness, efficiency, fairness, integrity and simplicity of Canada's tax system; and
- Review and refine the financial sector policy framework, to ensure a sound, efficient and competitive financial sector that meets the savings and investment needs of individuals, businesses and the economy as a whole.

Priority	Type[1]	Programs
Sound social policy framework	Ongoing	• 1.1 Economic and Fiscal Policy Framework • 1.2 Transfer and Taxation Payment Programs

Description

Why is this a priority?

- To respond to current and emerging issues related to social policy and major transfer payment programs; and
- To support the government's efforts to promote equality of opportunity for all citizens across the country and to meet the government's priorities for promoting jobs and economic growth.

What are the plans for meeting this priority?

- Maintain regular dialogue with provincial and territorial officials, to support the transparent administration of fiscal arrangements;
- Organize and convene the next Finance Ministers' Meeting, to discuss issues of shared interest;
- Collaborate with other departments and central agencies to review policy proposals that are consistent with, and deliver on, the government's priorities; and
- Work with provinces and territories, the joint stewards of the Canada Pension Plan (CPP), on issues related to retirement income. Also work with provinces and territories to begin discussions on the impact of the changes to Old Age Security on CPP disability and survivor benefits, during the 2013–15 Triennial Review.

Priority	Type[1]	Programs
Effective international engagement	Ongoing	• 1.1 Economic and Fiscal Policy Framework • 1.2 Transfer and Taxation Payment Programs

Description

Why is this a priority?

- To support the stability of the global financial system; and
- To maintain secure and open borders, to strengthen global growth and stability, to contribute to the creation of a more stable global economy, and to promote trade and competition in support of Canadian prosperity.

What are the plans for meeting this priority?

- Advance Canada's leadership internationally, with a focus on the G20 Framework for Strong, Sustainable and Balanced Growth;

- Support the global trade environment by advancing Canada's trade policy framework in a manner that encourages trade growth;
- Continue to implement a financial sector reform agenda to achieve the benefits of a more sound and resilient global financial system; and
- Support international financial institutions and multilateral development banks in fulfilling their mandates in line with Canadian objectives.

Priority	Type[1]	Strategic Outcome and Programs
Pursue excellence and high performance through increased collaboration, innovation, use of new technologies, and sound resources management.	Previously committed to	• All programs

Description

Why is this a priority?

- To transform workforce and workplace management practices and business processes to meet the demands and the challenges of the future; and
- To align with the broad direction and priorities set out by the Clerk of the Privy Council, including the Blueprint 2020 vision and *Destination 2020*.

What are the plans for meeting this priority?

- Continue to implement government-wide human resources standardization and consolidation projects;
- Develop and implement people management initiatives from *Destination 2020* pertaining to staffing, classification and learning;
- Continue to implement the departmental action plan for *Blueprint 2020* and *Destination 2020*, with a view to increasing collaboration and innovation and enabling high performance;
- Develop a comprehensive catalogue of internal services and human resources service standards, to ensure an effective and efficient allocation of resources, in line with departmental priorities and risk; and
- Continue to strengthen the integrated planning process, ensuring that it is executed in an efficient and risk-informed manner to support accountability, resource alignment and achievement of planned departmental results.

Priority	Type[1]	Strategic Outcome and Programs
Ensure a secure and reliable information technology (IT) infrastructure and implement a collaborative, client-focused approach to information management (IM).	Previously committed to	• All programs

Description

Why is this a priority?

- To ensure a reliable and secure IT infrastructure that meets the needs of the Department while working toward Government of Canada transformation objectives and policy compliance; and
- To implement IM tools and processes that improve the Department's ability to protect, preserve and share information and knowledge in accordance with Government of Canada direction.

What are the plans for meeting this priority?

- Increase the security posture of the dual network, desktops and applications;
- Strengthen IM and IT governance, planning and priority setting, including better alignment of IM and IT with departmental planning processes;
- Support the implementation of, and monitor progress on, government-wide transformation activities in the areas of IM and IT, including security; and
- Implement activities from the departmental action plan for *Blueprint 2020*, focusing on the use of new technologies.

Risk Analysis

Private sector economists expect moderate growth in the Canadian economy, as ongoing strength in domestic demand is expected to be moderated by a fragile global recovery and the net impact of declining global crude oil prices. In the euro area, the recovery is uncertain and the risk of deflation is increasing. In China, the challenges that the authorities face in introducing necessary policy reforms while maintaining their targeted growth objectives could lead to slower and more variable than expected growth. Furthermore, volatility in other global commodity markets also poses challenges and risks to Canada's economy. In contrast to these developments, the U.S. economic recovery appears to be gaining traction.

Consistent with the Department of Finance Canada's newly updated Corporate Risk Profile, the following table describes three of the top risks that may have an impact on the Department's plans and priorities for 2015–16 and presents the Department's risk response strategies to mitigate these risks.

Key Risks

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Given uncertain world economic conditions, there is a risk that ongoing uncertainty and volatility in the global economy will challenge the Department's ability to provide accurate strategic advice and policy recommendations.	• Continue to monitor high-frequency indicators; • Conduct private sector surveys of the Canadian economic outlook, and assess potential risks; • Continue to meet regularly with leading private sector economists to discuss the economic outlook and whether the average private sector economic forecast represents a reasonable basis for budgetary planning; and • Provide the Minister with policy options based on expected economic conditions.	• 1.1 Economic and Fiscal Policy Framework
Given the uncertainty of the pace of global economic recovery as well as continued weakness and volatility in a number of important financial markets, there is a risk that the Department will not have the infrastructure, resources and authorities needed to address, on an urgent basis, an evolving and uncertain economic and financial sector environment	• Continue training and development of personnel and the recruitment of personnel with specialized knowledge; • Coordinate the implementation, accountability and reporting of stimulus measures as required; • Monitor the use and effectiveness of legal authorities; • Promote prudent investment and risk limits, and undertake daily monitoring of financial market activities and risks and regular external evaluation of treasury operations; and • Examine new initiatives that may need to be developed to respond to the evolving economic situation.	• 1.1 Economic and Fiscal Policy Framework • 1.3 Treasury and Financial Affairs • Internal Services

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Given the nature of the Department's work and the need for security safeguards and in light of the prevalence of IT security incidents in both the public and private sectors, there is a risk that a security breach either related to the physical or IT work environment or to misuse of privileged information, a conflict of interest situation, or a breach of privacy will impact the delivery of critical services.	• Review the building security infrastructure; • Review corporate practices and processes, including emergency communications, evacuation procedures and employee awareness strategies; • Increase the security posture of the dual network, desktops and applications (ongoing); • Deliver mandatory training to all new employees on security of information (ongoing); • Post resource material on the departmental intranet (ongoing); • Continue implementation of the approved action plan to enhance employees' awareness of their obligations regarding values and ethics and conflict of interest (ongoing), and continue the review of mandatory annual confidential reports (ongoing); • Ensure that employees are aware of processes available through the Disclosure Protection Officer (Director, Values and Ethics) (ongoing); • Plan interactive, efficient IT security awareness sessions; and • Increase the security posture for budget and other related secret activities.	• 1.1 Economic and Fiscal Policy Framework • 1.2 Transfer and Taxation Payment Programs • 1.3 Treasury and Financial Affairs • Internal Services

Planned Expenditures

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
89,646,397,112	89,646,397,112	94,141,350,825	98,705,504,704

Human Resources (Full-Time Equivalents [FTEs])

2015–16	2016–17	2017–18
749	733	732

Budgetary Planning Summary for Strategic Outcome and Programs (dollars)

Strategic Outcome, Programs and Internal Services	2012–13 Expenditures	2013–14 Expenditures	2014–15 Forecast Spending	2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
Strategic Outcome 1: A strong economy and sound public finances for Canadians							
1.1 Economic and Fiscal Policy Framework	81,328,189	90,992,374	90,472,023	70,864,539	70,864,539	59,102,669	59,102,669
1.2 Transfer and Taxation Payment Programs	57,360,555,306	60,171,246,077	61,824,491,638	63,809,601,256	63,809,601,256	66,765,312,869	69,350,466,748
1.3 Treasury and Financial Affairs	26,148,248,975	25,258,792,413	25,010,421,866	25,726,000,000	25,726,000,000	27,278,000,000	29,257,000,000
Subtotal	83,590,132,470	85,521,030,864	86,925,385,527	89,606,465,795	89,606,465,795	94,102,415,538	98,666,569,417
Internal Services Subtotal	50,468,976	57,841,315	53,508,387	39,931,317	39,931,317	38,935,287	38,935,287
Total	**83,640,601,446**	**85,578,872,179**	**86,978,893,914**	**89,646,397,112**	**89,646,397,112**	**94,141,350,825**	**98,705,504,704**

Economic and Fiscal Policy Framework

The increase in actual spending of $9.7 million from 2012–13 to 2013–14 is largely due to $14.2 million in payments to the Canadian Securities Regulation Regime Transition Office (CSTO), offset by $4.2 million in reduced spending on government advertising. The decrease in planned spending in 2015–16 is mainly due to the cessation of $9.1 million in funding to the CSTO, a reduction of $3.5 million in government advertising, and the conclusion of time-limited

funding for government initiatives. The decrease in 2016–17 relates to a reduction in government advertising and the sunset of funding for government initiatives.

Transfer and Taxation Payment Programs

The cumulative increase of $5.5 billion in spending from 2015–16 to 2017–18 relates to legislated increases for the Canada Health Transfer, the Canada Social Transfer, Fiscal Equalization, and Territorial Formula Financing.

Treasury and Financial Affairs

The cumulative increase of $3.5 billion in spending from 2015–16 to 2017–18 is due to an increase in interest rates as forecast by private sector economists, consistent with the 2014 fall Update of Economic and Fiscal Projections.

Internal Services

Spending levels within the Internal Services Program were higher in 2013–14 and 2014–15 than in 2012–13 because of costs related to the new Department of Finance Canada office building, located at 90 Elgin Street. Further spending reductions in future years reflects the completion of the Department's move to 90 Elgin Street in September 2014.

Alignment of Spending With the Whole-of-Government Framework

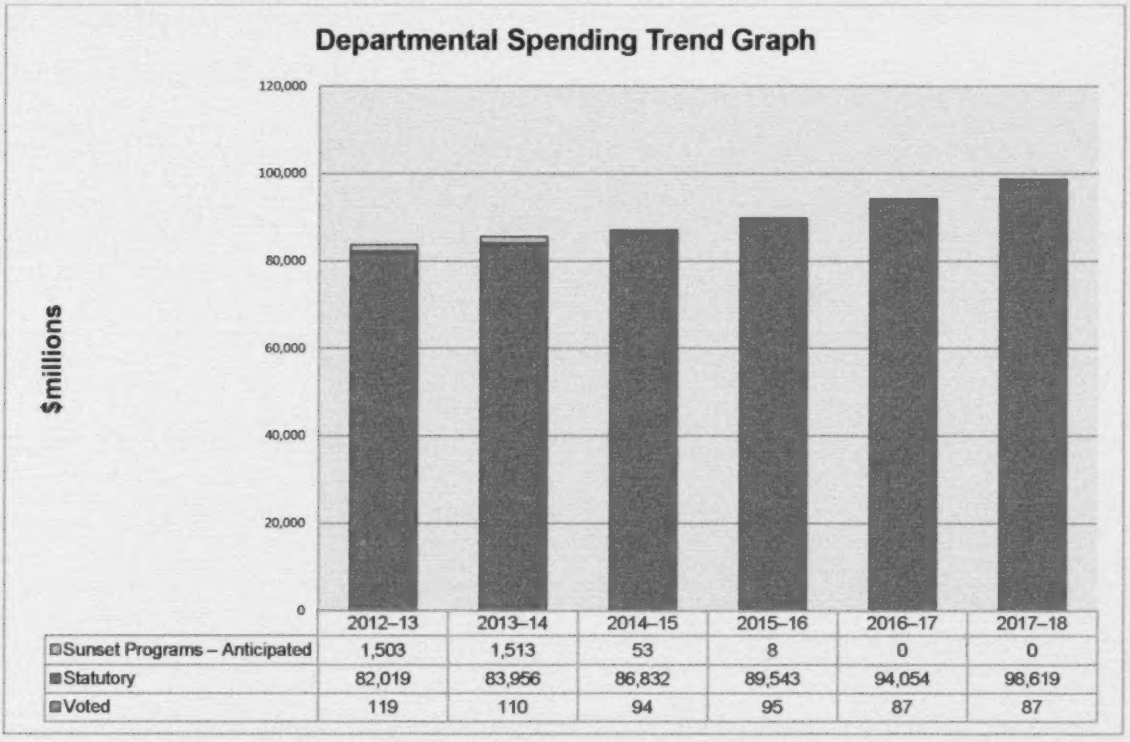
Alignment of 2015–16 Planned Spending With the Whole-of-Government Framework[ii] (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2015–16 Planned Spending
1 A strong economy and sound public finances for Canadians	1.1 Economic and Fiscal Policy Framework	Economic affairs	Strong economic growth	70,864,539
	1.2 Transfer and Taxation Payment Programs	All spending areas	All outcomes	63,809,601,256
	1.3 Treasury and Financial Affairs	Economic affairs	Strong economic growth	25,726,000,000

Total Planned Spending by Spending Area (dollars)

Spending Area	Total Planned Spending
Economic affairs	42,128,253,707
Social affairs	46,985,288,000
International affairs	492,924,088
Government affairs	0

Departmental Spending Trend



Actual spending increased by $2 billion from 2012–13 to 2013–14. This increase was mainly due to the legislated increase of $2.9 billion in annual transfer payments within Transfer and Taxation Payment Programs and was offset in part by a decrease of $0.9 billion in expenditures within Treasury and Financial Affairs owing to lower inflation rates and lower long-term bond rates.

Planned spending for 2014–15 is $1.4 billion higher than for 2013–14 and is due to the legislated increase in annual transfer payments within Transfer and Taxation Payment Programs.

From 2015–16 to 2017–18, planned spending trends upward to reflect the expectation of a cumulative $5.5 billion increase in transfer payments and a $3.5 billion increase in interest on unmatured debt and other liabilities.

Actual and planned expenditures within Economic and Fiscal Policy Framework and Internal Services had and will continue to have minimal impact on overall departmental expenditures.

Sunset programs on average account for less than 1 per cent of total planned spending.

Estimates by Vote

For information on the Department of Finance Canada's organizational appropriations, consult the *2015–16 Main Estimates* on the Treasury Board of Canada Secretariat website.[iii]

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome: A Strong Economy and Sound Public Finances for Canadians

Program 1.1: Economic and Fiscal Policy Framework

Description

This Program is the main source of advice and recommendations to the Minister of Finance, other ministers and senior government officials on issues, policies and programs of the Government of Canada in the areas of economic, fiscal and social policy; federal-provincial relations; the financial sector; taxation; and international trade and finance. The Program ensures that ministers and senior government officials can make informed decisions on economic, fiscal and financial sector policies, programs and proposals. Ultimately, the Program contributes to building a sound and sustainable fiscal and economic framework that generates sufficient revenues and aligns the management of expenditures with the Budget Plan and the financial operations of the Government of Canada.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
70,864,539	70,864,539	59,102,669	59,102,669

Human Resources (Full-Time Equivalents [FTEs])

2015–16	2016–17	2017–18
457	445	445

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
A sound economic, social, fiscal and financial policy framework.	Percentage of leading international organizations and major ratings agencies that rate Canada's economic, social, fiscal, and financial policy framework as favourable.	80 per cent	2015–16
Ministers and senior government officials are equipped to make informed decisions on economic, fiscal and financial sector policies, programs and proposals.	Percentage of recommendations/agreed upon areas for improvement following audits and/or evaluations that are on track or have been implemented within the planned time frames.	100 per cent	2015–16
	Percentage of recommendations/agreed upon areas for improvement following the annual federal budget post-mortem process that were implemented.	100 per cent	2015–16

Planning Highlights

The Department of Finance Canada will continue to ensure a sound economic, social, fiscal and financial policy framework, with a particular focus on the government's plan to return to balanced budgets in 2015. The Department will also continue its prudent and effective fiscal management of the government's corporate assets.

To support strong and sustainable economic growth, the Department will continue to play a leadership role in putting in place policies that encourage productivity-enhancing investments and facilitate workforce participation. The Department will continue to develop evidence-based analysis and evaluate options to support the government's efforts to improve the competitiveness, efficiency, fairness, integrity and simplicity of the tax system.

A sound, efficient and competitive financial sector provides a solid foundation to ensure that the savings and investments needs of individuals, businesses and the economy as a whole are met. In this context, the Department will continue to review and refine the financial sector policy framework and to pursue measures that enhance efficiency, innovation and competition in the

provision of financial services. The Department will also ensure that Canada maintains a leading, globally recognized financial sector.

To ensure that social programs remain sustainable and effective for Canadians, the Department will continue to work with departments and other central agencies to develop policy proposals that are consistent with, and deliver on, the government's social policy priorities.

The Department will continue to ensure that ministers and senior government officials are equipped to make informed decisions. To this end, the Department will monitor economic and fiscal developments at home and abroad to formulate first-rate policy advice and to develop contingency plans.

The Department will also pursue efforts to advance Canada's trade policy framework, including bilateral, regional and multilateral trade negotiations.

Sub-Program 1.1.1: Taxation

Description

This Sub-Program provides analysis, research, and advice to the Minister of Finance and the Minister of State (Finance) so that they can make informed decisions on the Government of Canada's tax policy agenda. The Sub-Program focuses on personal income tax, business income tax, sales and excise tax, and Aboriginal tax policy. To support the government's tax policy agenda, senior departmental officials provide advice and recommendations on improving the competitiveness, efficiency, simplicity and fairness of the tax system while generating sufficient revenue to finance government programs and priorities. This Sub-Program develops and evaluates federal taxation policies and legislation, and negotiates international tax treaties, tax information exchange agreements, and tax elements of comprehensive land claim and self-government agreements with Aboriginal governments. The Sub-Program is also involved with international tax policy matters, federal-provincial tax harmonization and coordination, federal-provincial tax collection and reciprocal taxation agreements, federal-Aboriginal Tax Administration Agreements, and tax policy research and evaluation.

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
20,286,303	19,598,667	19,598,667

Human Resources (FTEs)

2015–16	2016–17	2017–18
148	148	148

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Ministers and senior government officials have timely access to evidence-based analysis, research and advice on matters that impact the Government of Canada's tax policy agenda.	Percentage of agreed upon deadlines for briefing material that were met.	90 per cent	2015–16
	Degree to which overall findings of audits and/or evaluations are favourable.	Favourable	2015–16

Planning Highlights

The Department of Finance Canada will continue to monitor corporate tax changes by Canada's key competitors to evaluate and provide advice on the relative competitiveness of Canada's statutory and effective tax rates.

The Department will pursue ongoing work with the provinces and territories to achieve common goals, including enhancing the competitiveness of Canada's business tax system, improving incentives to work as well as the overall efficiency and simplicity of the tax system.

At the international level, the Department will continue to contribute to the Organisation for Economic Co-operation and Development and the G20 initiative to address base erosion and profit shifting. The Department will also contribute to the implementation of the new multilateral standard for the automatic exchange of information for tax purposes. As well, the Department will continue to negotiate international tax treaties and tax information and exchange agreements with other countries in order to further the policies put forward in Budget 2007 concerning tax information exchange.

Sub-Program 1.1.2: Economic and Fiscal Policy, Planning and Forecasting

Description

This Sub-Program provides analysis, research and advice to ministers and senior government officials so that they can make informed decisions on the Government of Canada's economic and fiscal agenda. The Sub-Program analyzes the economic and fiscal position of Canada, the provinces and other countries; advises on the government's economic policy framework, its budget planning framework, and policy priorities; monitors and prepares forecasts of Canada's economic and fiscal position; plays a lead role in the management of the government's fiscal framework; and provides analytical support on a wide range of economic and financial issues related to the government's macroeconomic and structural policies.

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
16,477,176	8,968,145	8,968,145

Human Resources (FTEs)

2015–16	2016–17	2017–18
70	70	70

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Ministers and senior government officials have timely access to evidence-based analysis, research and advice on matters that impact the Government of Canada's economic and fiscal agenda.	Percentage of agreed upon deadlines for briefing material that were met.	90 per cent	2015–16
	Degree to which overall findings of audits and/or evaluations are favourable.	Favourable	2015–16

Planning Highlights

The Department of Finance Canada will continue to ensure the effective management of the fiscal framework, including the government's plan to support economic growth and job creation. The Department will also manage the return to balanced budgets in 2015 by supporting the implementation of measures announced by the government and providing advice on the fiscal outlook.

The Department will assess Canada's current and future economic conditions to formulate first-rate economic policy advice and to provide the basis for accurate fiscal planning. The activities will include regular monitoring and forecasting of Canada's and other countries' economic performance and conducting private sector surveys of the Canadian economic outlook. Analytical research will also be conducted on a range of topics related to the performance of the Canadian economy, the standard of living, and public finances, including productivity and the challenges associated with population aging.

Sub-Program 1.1.3: Economic Development Policy

Description

This Sub-Program provides analysis, research and advice to ministers and senior officials so that they can make informed decisions on the fiscal and economic implications of sectoral and microeconomic policy issues, policies and programs. The Sub-Program fulfills the challenge function of the Department of Finance Canada on sectoral and microeconomic policy issues by conducting policy analysis and research regarding the fiscal and economic implications of economic policies and proposals developed by other departments in areas such as the knowledge-based economy, business financing, defence, transportation, public infrastructure, environment, energy and resources, agriculture and fisheries. This Sub-Program provides analysis, research and advice to the Minister of Finance and senior government officials in support of meetings of Cabinet and Cabinet committees, the annual budget and fiscal updates. The Sub-Program also plays a lead role in advising the government on the management of its corporate assets.

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
4,787,024	4,782,185	4,782,185

Human Resources (FTEs)

2015–16	2016–17	2017–18
37	37	37

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Ministers and senior government officials have timely access to evidence-based analysis, research and advice on the fiscal and economic implications associated with sectoral and microeconomic policy.	Percentage of agreed upon deadlines for briefing material that were met.	90 per cent	2015–16
	Degree to which overall findings of audits and/or evaluations are favourable.	Favourable	2015–16

Planning Highlights

The Department of Finance Canada will continue to work toward the implementation of the government's economic agenda in several economic sectors, including automotive, aerospace, manufacturing, transportation, tourism, agriculture, fisheries, information and communications technologies, shipbuilding and forestry, as well as in the areas of energy and environment, innovation, small business financing, venture capital, research and development, commercialization, regional economic development, infrastructure, defence and public safety.

The Department will also continue its prudent and effective fiscal management of the government's corporate assets, including enterprise Crown corporations, real property and other holdings.

Sub-Program 1.1.4: Federal-Provincial Relations and Social Policy

Description

This Sub-Program designs fiscal arrangements between Canada and the provinces and territories, to facilitate the funding of shared priorities and to support the provision of reasonably comparable services at reasonably comparable tax rates across the country. The Sub-Program prepares legislation and regulations on major transfers that fall under the responsibility of the Minister of Finance. This Sub-Program also provides analysis, research and advice to ministers and senior government officials on the fiscal and economic implications of federal-provincial relations and social policies, programs and issues. The Sub-Program fulfills the challenge

function of the Department of Finance Canada by conducting policy analysis and research regarding the fiscal and economic implications of federal social policies and programs in the areas of health care, justice, immigration, Employment Insurance and pensions, post-secondary education, Aboriginal and cultural programs, and programs for seniors, persons with disabilities, veterans and youth. This Sub-Program provides analysis, research and advice to the Minister of Finance and senior government officials in support of meetings of Cabinet and Cabinet committees, the annual budget, fiscal updates, and responsibilities for Employment Insurance and Canada Pension Plan legislation.

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
6,121,825	6,115,115	6,115,115

Human Resources (FTEs)

2015–16	2016–17	2017–18
48	48	48

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Ministers and senior government officials have timely access to evidence-based analysis, research and advice on the fiscal and economic implications associated with federal-provincial relations and social policies, programs and issues.	Percentage of agreed upon deadlines for briefing material that were met.	90 per cent	2015–16
	Degree to which overall findings of audits and/or evaluations are favourable	Favourable	2015–16

Planning Highlights

The Department of Finance Canada will collaborate with other departments and central agencies to review policy proposals that are consistent with, and deliver on, the government's priorities.

The Department will manage the major transfer programs to ensure that those programs are sustainable and effective for all Canadians. As well, the Department will maintain regular

dialogue with provincial and territorial officials to support the transparent administration of fiscal arrangements and will organize and convene the next Finance Ministers' Meeting to discuss issues of shared interest.

The Department will work with provinces and territories, the joint stewards of the Canada Pension Plan (CPP), on issues related to retirement income. The Department will also work with provinces and territories to begin discussions on the impact of the changes to Old Age Security on CPP disability and survivor benefits, during the 2013–15 Triennial Review.

Sub-Program 1.1.5: Financial Sector Policy

Description

This Sub-Program provides analysis, research and advice to ministers and senior government officials so that they can make informed decisions on matters that impact the Government of Canada's financial sector policy agenda. The Sub-Program ensures the overall stability, soundness, efficiency and competitiveness of Canada's financial sector to support strong and sustainable economic growth. The Sub-Program also provides analysis of Canada's financial services sector and financial markets, and develops the legislative and regulatory frameworks for federally regulated financial institutions (banks, trust and loan companies, insurance companies and co-operative credit associations) and federally regulated pension plans. This Sub-Program also plays a lead role in the federal strategy to combat money laundering and terrorist financing; in representing Canada at international forums; and in conducting Canada's relations, and in negotiating Canada's commitments, with foreign governments in the area of trade in financial services. The Sub-Program works with provinces and territories to improve the capital markets regulatory system.

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
14,830,400	11,289,391	11,289,391

Human Resources (FTEs)

2015–16	2016–17	2017–18
88	76	76

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Ministers and senior government officials have timely access to evidence-based analysis, research and advice on matters that impact the Government of Canada's financial sector policy agenda.	Percentage of agreed upon deadlines for briefing material that were met.	90 per cent	2015–16
	Degree to which overall findings of audits and/or evaluations are favourable.	Favourable	2015–16

Planning Highlights

The Department of Finance Canada will provide analysis to support financial stability, sustainable growth, competitiveness and economic prosperity. In cooperation with the Financial Consumer Agency of Canada, the Department will support the delivery of a national financial literacy agenda and legislative measures to inform and protect consumers of financial products and services. The Department will also provide advice on modifying the legislative and regulatory framework for federal pensions to support pension plan sustainability.

The Department will also work with participating provinces to establish the Cooperative Capital Markets Regulatory System to improve the coherence and effectiveness of securities regulation in Canada.

The Department will participate in the implementation of the G20 financial sector reform agenda, including a review of the system of deposit insurance. The Department will also provide advice and support for international efforts to increase financial services trade and to combat financial crime.

Sub-Program 1.1.6: International Trade and Finance

Description

This Sub-Program provides analysis, research and advice to ministers and senior government officials so that they can make informed decisions on the Government of Canada's international trade and finance policy agenda. The Sub-Program develops and implements policies on trade and tariffs, international development assistance and finance, and global macroeconomic coordination in order to foster sustainable international and domestic economic growth. The Sub-Program also manages the Department of Finance Canada's participation in international financial institutions, such as the International Monetary Fund and the World Bank; regional multilateral development banks, such as the European Bank for Reconstruction and Development; and international economic coordination groups, such as the G7, the G20 and the Asia-Pacific Economic Co-operation forum.

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
8,361,811	8,349,166	8,349,166

Human Resources (FTEs)

2015–16	2016–17	2017–18
66	66	66

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Ministers and senior government officials have timely access to evidence-based analysis, research and advice on matters that impact the Government of Canada's international trade and finance policy agenda.	Percentage of agreed upon deadlines for briefing material that were met.	90 per cent	2015–16
	Degree to which overall findings of audits and/or evaluations are favourable.	Favourable	2015–16

Planning Highlights

The Department of Finance Canada will provide advice on economic cooperation matters that arise under the G7 and the G20 Finance Ministers' process, the G8 and G20 Leaders' process, and at the International Monetary Fund, the World Bank, and the Organisation for Economic Co-operation and Development.

The Department will provide support to the global development and trade environment by advancing innovative financing tools in the international community, while balancing fiscal restraint with Canada's support for global development goals.

The Department will continue to advance Canada's trade policy framework in a manner that encourages trade growth, including support for trade negotiations, both multilaterally under the World Trade Organization and regionally and bilaterally with priority countries.

Program 1.2: Transfer and Taxation Payment Programs

Description

This Program enables the Government of Canada to meet its transfer and taxation payment commitments. The Program administers transfer and taxation payments to provinces and territories and Aboriginal governments in compliance with legislation and negotiated agreements. The Program also fulfills commitments and agreements with international financial organizations to support the economic advancement of developing countries. The Government of Canada sometimes enters into agreements or enacts legislation to respond to unforeseen pressures. These commitments can result in payments, generally statutory transfer payments, to a variety of recipients, including individuals, organizations and other levels of government.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
63,809,601,256	63,809,601,256	66,765,312,869	69,350,466,748

Human Resources (Full-Time Equivalents [FTEs])

2015–16	2016–17	2017–18
11	11	10

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
The Government of Canada meets its transfer and taxation payment commitments.	Degree to which the Government of Canada is meeting its transfer and taxation payment commitments.	Met	2015–16

Planning Highlights

The Department of Finance Canada will administer transfer payments to provinces and territories as set out in legislation, as well as payments to individuals, organizations and other levels of government. The Department will also administer payments to international financial organizations, consistent with the Government of Canada's commitments.

The Department will continue to manage payments to provinces, territories and Aboriginal governments in accordance with the terms and conditions of Tax Collection Agreements, Tax Administration Agreements, Comprehensive Integrated Tax Coordination Agreements, the *Federal-Provincial Fiscal Arrangements Act* and the *First Nations Goods and Services Tax Act*.

Sub-Program 1.2.1: Fiscal Arrangements with Provinces and Territories

Description

This Sub-Program ensures that the Government of Canada's fiscal arrangements with provinces and territories are efficiently managed. The Sub-Program administers transfer payments to provinces and territories in compliance with legislation and negotiated agreements. In addition, the Sub-Program sometimes provides additional, time-limited, targeted support to provinces and territories in areas of shared priorities. The Sub-Program uses funding from the following transfer payments: Fiscal Equalization (Part I—*Federal-Provincial Fiscal Arrangements Act*); Territorial Formula Financing (Part I.1—*Federal-Provincial Fiscal Arrangements Act*); Canada Health Transfer (Part V.1—*Federal-Provincial Fiscal Arrangements Act*); Canada Social Transfer (Part V.1—*Federal-Provincial Fiscal Arrangements Act*); Statutory Subsidies (*Constitution Act, 1867*; *Constitution Act, 1982*, and other statutory authorities); Additional Fiscal Equalization to Nova Scotia (Part I—*Federal-Provincial Fiscal Arrangements Act*); Additional Fiscal Equalization Offset Payment to Nova Scotia (*Nova Scotia and Newfoundland and Labrador Additional Fiscal Equalization Offset Payments Act*); Youth Allowances Recovery (*Federal-Provincial Fiscal Revision Act, 1964*); and Alternative Payments for Standing Programs (Part VI—*Federal-Provincial Fiscal Arrangements Act*).

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
63,312,908,581	66,271,601,258	68,856,914,137

Human Resources (FTEs)

2015–16	2016–17	2017–18
4	4	4

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Fiscal arrangements with provinces and territories are efficiently managed.	Percentage of payments reviewed that did not reveal errors.	100 per cent	2015–16
	Percentage of payments that were made within the required time frames.	100 per cent	2015–16

Planning Highlights

To support fiscal arrangements with provinces and territories, the Department of Finance Canada will continue to manage the major transfer payment programs and will ensure that the administration of these programs remains timely, accurate and transparent.

Sub-Program 1.2.2: Tax Collection and Administration Agreements

Description

This Sub-Program ensures that the Government of Canada's tax collection and administration obligations and arrangements and other tax policy-related payments are efficiently managed. The Sub-Program manages the *Federal-Provincial Fiscal Arrangements Act*, the *First Nations Goods and Services Tax Act*, and payments to provinces and territories and Aboriginal governments in compliance with the terms and conditions of Tax Collection Agreements, Tax Administration Agreements, and Comprehensive Integrated Tax Coordination Agreements. Payments relate to provincial and territorial personal income tax and corporate income tax, provincial revenue entitlements associated with the harmonized sales tax, and Aboriginal sales and income taxes.

The Sub-Program uses funding from the following transfer payment: Incentive for Provinces to Eliminate Taxes on Capital (Part IV—*Federal-Provincial Fiscal Arrangements Act*).

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
624,586	624,586	624,586

Note: Departmental spending for the Tax Collection and Administration Agreements Sub-Program reflects only salary and operating and maintenance costs and does not include taxation payment program amounts because these payments do not represent federal spending. Rather they are tax amounts paid to provincial, territorial and Aboriginal governments. As such, these payment amounts are not included in the Department of Finance Canada's planned spending. Payments made to these governments under the terms of the Tax Collection Agreements, the Tax Administration Agreements, and the Comprehensive Integrated Tax Coordination Agreements are reported in Accounts Payable and Accrued Liabilities in Volume I of the Public Accounts of Canada.

Human Resources (FTEs)

2015–16	2016–17	2017–18
5	5	5

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Tax collection and administration obligations/arrangements are efficiently managed.	Percentage of payments reviewed that did not reveal errors.	100 per cent	2015–16
	Percentage of payments that were made within the required time frames.	100 per cent	2015–16

Planning Highlights

The Department of Finance Canada will continue to work to improve and enhance the application and administration of its tax agreements with provinces, territories and Aboriginal governments. It will also work to ensure that payments continue to be accurate, timely and aligned with the terms and conditions of existing agreements.

The Department will continue to participate in negotiations with Aboriginal governments regarding new tax administration agreements and will work with the provinces and territories to facilitate similar arrangements between interested provinces and territories and Aboriginal governments.

Sub-Program 1.2.3: Commitments to International Financial Organizations

Description

This Sub-Program ensures that the Government of Canada's commitments to international financial organizations are efficiently funded. The Sub-Program administers the payments and capital subscriptions for Canada's commitments to international financial institutions, such as the International Development Association of the World Bank, and other regional multilateral development banks, such as the European Bank for Reconstruction and Development. The Sub-Program uses funding from the following transfer payments: Payments to the International Development Association; Debt Payments on Behalf of Poor Countries to International Organizations Pursuant to section 18(1) *of the Economic Recovery Act* (*stimulus*); and International Bank for Reconstruction and Development for the Agriculture Advance Market Commitment (*Bretton Woods and Related Agreements Act*, section 8).

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
492,924,089	492,938,025	492,928,025

Human Resources (FTEs)

2015–16	2016–17	2017–18
1	1	1

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Commitments to international financial organizations are efficiently funded.	Percentage of payments reviewed that did not reveal errors.	100 per cent	2015–16
	Percentage of payments that were made within the required time frames.	100 per cent	2015–16

Planning Highlights

The Department of Finance Canada will deliver on the Government of Canada's commitments to support international financial institutions and multilateral development banks in fulfilling their renewed mandates in line with Canadian objectives. These objectives include strengthening governance and accountability, helping to ensure sustainable and inclusive global economic growth, and supporting the economic advancement of developing countries.

Sub-Program 1.2.4: Receipts From and Payments to Individuals and Organizations

Description

This Sub-Program ensures that payments owed to and due from individuals and organizations are efficiently managed. The Sub-Program administers payments in compliance with the agreed terms and conditions. The Sub-Program uses funding from the following transfer payment: Harbourfront Centre Funding Program (Vote 5).

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
3,144,000	149,000	0

Human Resources (FTEs)

2015–16	2016–17	2017–18
1	1	0

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Payments owed to and due from individuals and organizations are efficiently managed.	Percentage of payments reviewed that did not reveal errors.	100 per cent	2015–16
	Percentage of payments that were made within the required time frames.	100 per cent	2015–16

Planning Highlights

The Department of Finance Canada will continue to manage the Harbourfront Centre Funding Program to support the economic, social and cultural development of the Toronto waterfront.

Program 1.3: Treasury and Financial Affairs

Description

This Program provides analysis, research and advice to ministers and senior government officials on the management of the treasury and the financial affairs of the Government of Canada. The Program ensures that the treasury and financial affairs of the Government of Canada are efficiently managed on behalf of Canadian taxpayers. The Program provides direction for Canada's debt management activities, including the funding of debt and service costs for new borrowings. This Program manages investments in financial assets so that the Government of Canada can meet its liquidity needs. The Program supports the ongoing refinancing of government debt coming to maturity, the execution of the Budget Plan, and other financial operations of the government, including governance of the borrowing activities of major federal government-backed entities, such as Crown corporations. The Program also oversees the system that ensures that Canada has an adequate supply of circulating Canadian currency (banknotes and coins) to meet the needs of the Canadian economy.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
25,726,000,000	25,726,000,000	27,278,000,000	29,257,000,000

Human Resources (Full-Time Equivalents [FTEs])

2015–16	2016–17	2017–18
28	28	28

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
The treasury and financial affairs of the Government of Canada are well managed.	Percentage of recommendations and agreed upon areas for improvement following evaluations that are on track or have been implemented within the planned time frames.	100 per cent	2015–16

Planning Highlights

The Department of Finance Canada will continue to provide policy advice to ensure that the treasury and financial affairs of the Government of Canada are well managed. In particular, the Department, in collaboration with the Bank of Canada, will continue to manage the debt and international reserves of the Government of Canada and to support the borrowing activity of federal Crown corporations. In cooperation with the Bank of Canada and the Royal Canadian Mint, the Department will support the development of commemorative banknotes and coins, and ensure that the ongoing needs of the Canadian economy for circulating banknotes and coinage are met.

Sub-Program 1.3.1: Federal Debt Management

Description

This Sub-Program provides analysis, research and advice to ministers and senior government officials on the management of the federal debt. The government's debt management program includes the payment of interest costs on existing debt instruments and the servicing costs for new borrowings. The Sub-Program ensures that the Government of Canada can fund its financial requirements on a timely and effective basis.

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
25,615,876,000	27,166,876,000	29,140,876,000

Human Resources (FTEs)

2015–16	2016–17	2017–18
10	10	10

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
The Government of Canada is able to fund its financial requirements on a timely and effective basis.	Percentage of funding requirements met within the required time frames.	100 per cent	2015–16
	Ratio of auctions that are fully covered (Bid cover ratio).	1 or higher	2015–16

Planning Highlights

The Department of Finance Canada, in collaboration with the Bank of Canada, the government's fiscal agent, will continue to provide funding to support government operations. In consultation with stakeholders and the Bank of Canada, the Department will formulate and implement a federal debt strategy that maintains a well-functioning Government of Canada debt market.

Sub-Program 1.3.2: Major Federal-Backed Entities' Borrowing

Description

This Sub-Program provides analysis, research and advice to ministers and senior government officials on the borrowing activities of major entities that are backed by the full faith and credit of the government such as Crown corporations and similar entities. The Sub-Program ensures that major federal government-backed entities receive timely and effective funding and that their borrowing is cost-effective and compliant with the principles of prudent risk management.

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
619,000	619,000	619,000

Human Resources (FTEs)

2015–16	2016–17	2017–18
5	5	5

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
The Government of Canada is able to provide funding to federal government entities on a timely and effective basis.	Ratio of administrative costs of the Crown Borrowing Program to those of a comparable lending desk in the private sector.	1 or below	2015–16

Planning Highlights

The Department of Finance Canada will provide advice on Crown borrowing plans and will support the delivery of timely and cost-effective funding for financial Crown corporations.

Sub-Program 1.3.3: Prudential Liquidity and Reserves Management

Description

This Sub-Program provides analysis, research and advice to ministers and senior government officials on the management of prudential liquidity and reserves. The Sub-Program ensures that the Government of Canada can meet its liquidity needs on a timely and effective basis. The Sub-Program safeguards the government's ability to meet payment obligations in situations where normal access to funding markets may be disrupted, and promotes foreign currency liquidity and orderly conditions for the Canadian dollar in foreign exchange markets, if needed. Prudential liquidity and reserves management involves maintaining domestic cash deposits at the Bank of Canada and financial institutions, and acquiring and managing cash reserves, loans, investments and advances in the government's Exchange Fund Account.

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
1,072,000	1,072,000	1,072,000

Human Resources (FTEs)

2015–16	2016–17	2017–18
9	9	9

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
The Government of Canada is able to meet its liquidity needs on a timely and effective basis.	Percentage of weeks that the prudential target liquidity level of 20 business days is met.	100 per cent	2015–16
	Level of liquid reserves as a percentage of nominal GDP.	3 per cent	2015–16

Planning Highlights

The Department of Finance Canada will ensure the maintenance of an appropriate level of domestic and international reserves liquidity to meet potential contingencies. In collaboration with the Bank of Canada, the Department will also maintain a framework for the management of the international reserves, ensuring that liquidity needs, return and risk are appropriately balanced.

Sub-Program 1.3.4: Domestic Currency System

Description

This Sub-Program provides analysis, research and advice to ministers and senior government officials on the currency system, which involves the production of banknotes by the Bank of Canada and the circulation of coinage by the Royal Canadian Mint. The Sub-Program ensures that the Government of Canada has a cost-effective, adequate and robust supply of domestic currency to meet the needs of the Canadian economy.

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
108,433,000	109,433,000	114,433,000

Human Resources (FTEs)

2015–16	2016–17	2017–18
4	4	4

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Canada has an adequate supply of domestic currency to meet the needs of its economy.	Percentage of payments that were made within the required time frames (7 business days).	90 per cent	2015–16
	Percentage of price and volume limit commitments met under the Memorandum of Understanding with the Royal Canadian Mint.	100 per cent	2015–16

Planning Highlights

The Department of Finance Canada will support the development of commemorative banknotes and coins by the Bank of Canada and the Royal Canadian Mint, and work with both institutions to ensure that Canada's coinage needs are met.

Internal Services

Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal services include only those activities and resources that apply across an organization, and not those provided to a specific program. The groups of activities are Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
39,931,317	39,931,317	38,935,287	38,935,287

Human Resources (FTEs)

2015–16	2016–17	2017–18
253	249	249

Planning Highlights

Ensuring sound resources management, operational improvements and efficiencies

In the context of ongoing fiscal restraint, the Department of Finance Canada will continue to implement the public service-wide transformation initiatives, including Blueprint 2020 and Destination 2020, to ensure operational improvements and efficiencies.

In particular, the Department will support the development and implementation of an improved, results-focused approach to staffing; the introduction of simplified approaches to job descriptions; and the development of a cost-effective departmental learning strategy that leverages the learning opportunities stemming from the Government of Canada's enterprise-wide commitment to learning.

In addition, the Department will continue to implement government-wide human resources (HR) standardization and consolidation projects pertaining to compensation services and human resources management and processes.

The Department will continue to support departmental people management priorities by developing and implementing the 2015–16 Human Resources Plan, with a focus on recruitment, employee development and workplace wellness. Key activities will include:

- Updating, implementing, monitoring and reporting on the departmental Recruitment and Staffing Strategy;
- Developing and implementing key HR-related departmental initiatives such as the Official Languages and Employment Equity Action Plans;
- Implementing, monitoring and reporting on the activities of the Employee Development Action Plan; and
- Analyzing the results of the 2014 Public Service Employee Survey and initiating the development of a departmental response.

In consultation with key stakeholders, the Department will develop a comprehensive catalogue of internal services and HR service standards, to ensure an effective and efficient allocation of resources, in line with departmental priorities and risk.

The Department will also continue to strengthen its integrated planning process, ensuring that the process is executed in an efficient and risk-informed manner in support of accountability, resource alignment and achievement of planned departmental results.

With respect to financial management, the Department will effectively manage its operating budget in the context of the freeze on operating spending. The implementation of the new public-sector accounting standards will also remain an area of focus.

Ensuring a secure and reliable information technology infrastructure and implementing a collaborative, client-focused approach to information management

The Department of Finance Canada will pursue improvements in its information management (IM) and information technology (IT) infrastructure and services to ensure that its IT platform is robust and that IM services are effective, and to allow IM and IT, including security considerations, to be managed in a manner that addresses business requirements.

In addition, the Department will implement its departmental Information Management Strategy to strengthen IM practices, including electronic information management, and will continue to work toward full implementation in 2015 of the Treasury Board *Directive on Recordkeeping*.

The Department will continue to support the implementation of, and monitor progress on, government-wide transformation activities in the areas of IM and IT, including security.

Section III: Supplementary Information

Future-Oriented Statement of Operations

The future-oriented condensed statement of operations provides a general overview of the Department of Finance Canada's operations. The forecast of financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

Because the future-oriented condensed statement of operations is prepared on an accrual accounting basis, and the forecast and planned spending amounts presented in other sections of the Report on Plans and Priorities are prepared on an expenditure basis, amounts differ.

A more detailed future-oriented statement of operations and associated notes, including a reconciliation of the net cost of operations to the requested authorities, can be found on the Department of Finance Canada's website.[iv]

Future-Oriented Condensed Statement of Operations
For the Year Ended March 31
(dollars)

Financial Information	2014–15 Estimated Results	2015–16 Planned Results	Difference
Total expenses	86,543,006,634	89,671,212,472	(3,128,205,838)
Total revenues	100,700	100,700	0
Net cost of operations	86,542,905,934	89,671,111,772	(3,128,205,838)

Supplementary Information Tables

The supplementary information tables listed in the *2015–16 Report on Plans and Priorities* can be found on the Department of Finance Canada's website.[v]

- Departmental Sustainable Development Strategy;
- Details on Transfer Payment Programs of $5 Million or More;
- Disclosure of Transfer Payment Programs Under $5 Million;
- Horizontal Initiatives; and
- Upcoming Internal Audits and Evaluations Over the Next Three Fiscal Years.

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations*[vi] publication. The tax measures presented in the ***Tax Expenditures and Evaluations*** publication are the responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

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Appendix: Definitions

appropriation: Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures: Include operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report: Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent: Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes: A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure: A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures: Include net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance: What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

performance indicator: A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting: The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending: For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plans: The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities: Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program: A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture: A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities: Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

results: An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

Strategic Outcome: A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program: A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

whole-of-government framework: Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

i. **Justice Laws website,** http://laws-lois.justice.gc.ca/eng/

ii. **Whole-of-government framework,** http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx

iii. ***2015–16 Main Estimates*,** http://publiservice.tbs-sct.gc.ca/ems-sgd/esp-pbc/me-bpd-eng.asp

iv. **Department of Finance Canada Future-Oriented Statement of Operations,** http://www.fin.gc.ca/fs-ef/2015-eng.asp

v. **Supplementary tables,** http://www.fin.gc.ca/pub/rpp/2015-2016/st-ts-01-eng.asp

vi. ***Tax Expenditures and Evaluations* publication,** http://www.fin.gc.ca/purl/taxexp-eng.asp